

Purchase Criteria

The following objective criteria shall be necessary to qualify a person or persons to purchase shares in Kennedy Street Quad, Ltd. ("KSQ"). No paperwork shall be accepted as complete (and, therefore, no interview shall be scheduled) until and unless these criteria are met.

- **Earnings:** Effective Immediately: Potential shareholders must earn enough so that their mortgage and maintenance (including parking fees and assessments expected to extend beyond one year) not exceed 34% of their gross income. In cases where the potential shareholder has an ongoing rental expense or maintenance charge, including but not limited to another primary residence, a vacation home, or an investment property, that additional rental or maintenance charge shall be added to the mortgage and maintenance charge on the KSQ apartment in calculating the sufficiency of income. If the potential shareholder has invested assets, earnings on such assets may be presumed to equal the rate of return on thirty-year Treasuries, plus three percent.
- **Family Member:** Potential shareholders need not be the intended residents of the apartment associated with the shares being purchased, so long as at least one of the residents is a family member of the shareholder. A family member of the shareholder includes his or her spouse, children and their descendants, stepchildren and their descendants, siblings and their children, parents and grandparents, stepparents, and their spouses.
- **Down Payment:** A down payment of at least 20% of the sales price must be paid in cash, with at least 10% paid at contract signing.
- **Initial Occupancy:**
 - A one-bedroom apartment may not be occupied by more than two persons;
 - A two-bedroom apartment with one bathroom may not be occupied by more than three persons;
 - A two-bedroom apartment with two bathrooms may not be occupied by more than four persons; and
 - A three-bedroom apartment may not be occupied by more than five persons.